

the 17th largest city in the country. This lack of funding directly affects every community in our metropolitan area.

Last year the Baltimore region alone spent more than \$14 million to protect itself. Cities, counties, and towns cannot do it by themselves; they need Federal funding to equip our first-line responders. We must train our first-line responders. We must give them the equipment to protect themselves so that they can protect us in the event that there is a terrorist attack.

Put against a tax cut that equals \$117 billion, \$3.5 billion is not asking for too much to protect and to give the resources to our front-line responders. I urge my colleagues across the aisle to reconsider their budget priorities so that they better reflect the priorities of the American people as it relates to our protection and our security. We must provide the tools necessary to our first responders that would protect our citizens.

In today's Washington Post, the Secretary of Homeland Security, Tom Ridge, said that the President plans to propose a supplemental Federal budget to pay for more counterterrorism measures. I applaud that; however, for the sake of our country, our citizens, our hometown, our homeland, I hope these counterterrorism measures include more resources for local governments and first responders.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. LYNCH) is recognized for 5 minutes.

(Mr. LYNCH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. EDDIE BERNICE JOHNSON) is recognized for 5 minutes.

(Ms. EDDIE BERNICE JOHNSON of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

(Ms. LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KUCINICH) is recognized for 5 minutes.

(Mr. KUCINICH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

PROPOSED BUDGET FAILS TO PROVIDE FOR HOMELAND SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentlewoman from Oregon (Ms. HOOLEY) is recognized for 60 minutes as the designee of the minority leader.

Ms. HOOLEY of Oregon. Mr. Speaker, I want to talk about the budget we are going to have tomorrow. A budget needs to reflect what our national priorities are. That is what a budget is all about, making choices.

I want to tell the Members, although I made several attempts, as well as many members of our committee, to make changes in the budget, all of those were defeated. I am going to talk just a minute about one of those issues, and that is homeland defense.

This is a time, Mr. Speaker, when more than ever we need to make sure that our counties and cities and States are well-equipped for our national security. This budget fails to adequately provide for our homeland security. The President said we were \$2.2 billion short in homeland security. The Secretary said we were short \$2.2 billion for homeland security. Yet this budget leaves that shortfall.

Let me just talk a minute about what is happening in our State. Our State has high unemployment. We are laying off our police and our firefighters. Our young men and women who are in law enforcement are being called up for the National Guard and being sent to the Middle East, and many are already in the Middle East. Our local communities frequently do not have equipment that talks to one another, communicates with one another.

What we are trying to do in this budget and what the Republican budget lacks is the money to make sure that our local police and our local fire departments and our local emergency workers, not only that we have adequate personnel, but that we have the equipment so they can respond if there is a terrorist attack in the United States and in our communities.

I cannot believe that we are going to do a budget at a time like this that does not respond to our local communities and our local States for those people that are going to be the first line of defense.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I thank my colleague for yielding to me.

Mr. Speaker, this Republican budget resolution is a failed economic plan that proposes \$1 trillion in tax cuts in search of an economic purpose. This budget follows President Bush's \$1.3 trillion tax cut 14 months ago to get this economy moving and produce jobs. That was the argument behind the original tax cut.

The net result is 2.5 million Americans today are without work who had work prior to that tax cut, and there are 4 million more Americans without health care who prior to that tax cut had health care, 2 million more Americans who have moved from the middle class to poverty prior to that tax cut, and \$1 trillion worth of corporate assets have been foreclosed on and hit Chapter 11. That has been the net effect of this tax cut.

Now, what are we about to do? We are about to put our foot on the accelerator 14 months later for another \$1 trillion plus tax cut that will have the same effect of lost jobs, lost health care, lost corporations and family dreams, and more and more Americans moving from middle class to poverty.

We need to move the trend the other way. We need an economic plan, not just a tax cut. While we consider this budget, we as a Nation, as one Nation, as one country, are moving closer to war. We also have a plan now for that war and for after that war to rebuild Iraq; in the range of \$100 billion they are talking about rebuilding Iraq. The administration's postwar request would build more housing, more schools, and go further in providing health care for pregnant woman in Iraq than this budget provides Americans. The Wall Street journal wrote on Monday that the postwar reconstruction of Iraq is ambitious in scope and speed.

I want to read some of the juxtapositions that are playing here, so as Members on the other side think about their vote, it just does not get glossed over by one fix or two in what we here in this Chamber call the manager's amendment.

Let me read under health care. Medicaid provides insurance coverage for over one-third of the live births nationally here in this country, yet Medicaid is scheduled for a \$95 billion cut. In Iraq after the war, maternity care will be guaranteed for 100 percent of the population.

The U.S. budget we are about to vote on does not provide a single dollar of health insurance for the uninsured in this country, where we have 42 million Americans who work full time without health care. In Iraq after the war, 13 million people, half the population, will be guaranteed health care coverage.

Under education, the U.S. budget cuts Head Start for 28,000 children, cuts education spending by 8 percent, zeroes out 40 new programs, like technology, like Star Schools. In Iraq, there will be guaranteed books and supplies and 100

percent enrollment for 4 million schoolchildren in Iraq, with U.S. dollars.

Teacher quality programs in America are cut by \$9.3 billion, more than 10 percent, and 25,000 schools in Iraq will be rebuilt and renovated at standard level of quality.

Housing, we only have in this budget enough dollars for 5,000 new affordable housing units; yet in Iraq the plan is for 20,000 new units of housing.

The Army Corps of Engineers is scheduled for a 10 percent cut in this country; yet our plan for Iraq calls for total reconstruction of the Umm Qasr port so it is fully opened for cargo traffic.

□ 1800

That is the plan for Iraq. That is also the plan for America.

Under Transportation, highway funding in America is cut by \$6 billion over the next 10 years. In Iraq 3,000 miles of new roads will be rebuilt.

Now, after that juxtaposition, I am not against the reconstruction budget for Iraq. If you want to build democracy, that should be the commitment of our country. The plan for Iraq is robust. The plan for America must be robust.

The plan for Iraq has been thought through in an economic strategy. The plan for America must have the same strategy, the same care for its health care, for its pregnant women. The same care for its schools. The same care for its housing. The same care for its infrastructure.

This budget that we are going to vote on leaves too many Americans behind. Because of the impact of the 2001 tax cut, 2.5 million Americans without jobs, 4 more million Americans without health care, a trillion corporate assets foreclosed on, and 2 more million Americans who have gone from middle class to poverty. One could be cynical enough to think that what I just read about Iraq versus America could be distilled down to 30 seconds.

I want Members to think about this before they vote on this budget. Just papering over the differences on Medicare will not erase the differences between America and Iraq when it comes to our investment in education, health care, housing, our infrastructure. We need a robust plan for America. And this budget falls woefully short as it pertains to our future, our families' future and their children.

Now, I am committed to working, if we win this war, which we will win this war, to the reconstruction of Iraq. I want the same emphasis, the same desire, the same dreams, the same hopes that our President talks passionately about for Iraq for here at home. Because we cannot guarantee 100 percent of pregnant women in Iraq with basic health care for their pregnancy and yet cut \$95 billion of Medicaid where one out of every three Americans get their health care as it relates to their child birth. We cannot cut 40 programs, zero

them out, Head Start schools, technology schools, teacher quality, and yet guarantee 25,000 new schools will be built in Iraq.

We cannot talk about 25,000 new housing in Iraq and yet only provide the funding for 5,000 new affordable housing in America. That is not a dream for America. That is foreclosing on America's dream.

And I know there are good people with good values on the other side who think hard about what they are doing, and I want them to think hard about the vote that they are going to cast on that budget because they have to go back home and explain how Iraq got moved to the front and their families, their neighbors got moved back. That is not right. We can do better.

It need not be a Democrat-Republican issue. Let us make America first not only around the world but here at home.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank my friend and colleague from Oregon (Ms. HOOLEY) for her distinguished service in the House, and I thank her for putting together this Special Order.

Mr. Speaker, I rise this evening to talk about what will be coming before the House of Representatives, the House of the people, and that is our Nation's budget. We know that the Federal budget is a very, very thick book of many, many pages with fine print and many, as we say, line items. But at the end of the day what a budget is about is not only a compilation of numbers but it is a statement of the values of the American people.

I have done much budgeting in my day from local government, the county of San Mateo, where we were required, obviously, to balance our budget. I still adhere to that because I think being fiscally responsible is not only necessary but it is the prudent thing to do.

So what is this budget debate going to be about? Both sides of the aisle are really challenged to come up with their best ideas for their vision of our country, of where we are going and what we need in order to get there.

Tonight on the Feast of Saint Joseph, the worker, our country is on the brink of war. And yet the President's budget does not include one dime for that. There is something wrong with that picture. There is something very wrong with that picture.

Let me give you a picture of my congressional district. It is a very distinguished place in our country. It is the home of Stanford University. It is the home of Silicon Valley. In 2 short years everything that was up is now down. We have one of the highest unemployment rates in our Nation. Our State is facing up to a \$35 billion deficit. Keep in mind that our State and our local governments represent 12 percent of our national economy.

Now, what are the President and this House proposing in their budget? The

same old same old. How many months ago? 18 months ago the President said as the economy was sputtering. We need massive tax cuts. Tax cuts that would go to the wealthiest, the best off in our Nation. It is a legitimate argument that was pitched then about whether that was the best prescription for our Nation's circumstances. I voted against it because I thought at the time that when the sun is shining, that is when you fix the roof. We did not do it. Squandered the surplus.

We now have a different economic condition in our country. Indeed, our country faces even more challenges than we could have ever dreamed of as the first roll of tax cuts went out. So what is contained in this new budget that the President has brought to us and your Republican friends are going to bring to the floor? More tax cuts. I believed it was wrong then; it is certainly wrong now.

Imagine if Winston Churchill, when he was rallying his countrymen to go to war said, And in addition to my rallying you, my countrymen, I am calling for a massive tax cut.

This is a sober time in the life of our Nation and in the families of our Nation. Many have committed their children, their treasury and our Nation's treasury to this war in Iraq. Veterans benefits should not, therefore, be cut. Our Nation's defense needs to be paid for. But the education of those that are serving in Iraq, their children's education should not be cut at home. We do them a disservice. We dishonor them, and we dishonor the future of our country by doing this.

This is not about throwing money at things. This is the responsibility of a great democracy. That is why the Democrats have held the line on education here at home. It is why Democrats recognize that we will not have homeland security unless we fund hometown security. There is something wrong when the firefighters from my district who came in to meet with me just this morning said, because hometown security is not being funded, our positions, our jobs are being eliminated. Now that does not make sense. It is not right.

I keep thinking of what my father used to say when something really got mucked up. He would say, You have made a real mess of this. This is a harsh judgment of my Republican colleagues, but you have made a mess of the economic life of this country, a real mess. We are now back to you have produced a deficit and it is over \$300 billion. You will drive the national debt up to at least 5 trillion. The cost of this very tax cut that you are going to bring to the floor in your budget, the cost, the price tag of that alone is \$1.6 trillion.

This is not pitting those that have more against those that are average, against those that have even less. This is about the United States of America. We are all in this together. And so the fairness and the responsibility and the

fiscal responsibility need to be exercised. It is a budget that leaves the American people wanting. If we cannot fund properly our national defense, our hometown security, education for our children, and the health care of our veterans and those amongst us, then what have we come to? What have we come to?

We have a responsibility not to place these burdens on our children, our grandchildren, and our great-grandchildren. The Democratic budget recognizes that. That is why I am proud to stand next to it. The Republican budget does not.

It is no wonder that those in Republican seats on the other side of the aisle are rising up and saying, This is not fair and we are not going to vote for it. I salute their guts and their courage to do that. Why? Because our Nation's treasures are putting their lives, their courage, their lives on the line some place else on the globe; and we need to stand next to them by honoring their families here at home. That is what this is about.

So, Mr. Speaker, as we come to the floor and speak about what is going to come to us on the floor, there may not be that many people in the country listening, unfortunately. Why? Because legitimately we are preoccupied with the moment when America is going to strike. But whether people notice it or not, whether they notice it or not in terms of our words in this debate, make no mistake about it, it will be felt. It will come home to each individual, each mother, each child, each health clinic, each classroom, each senior center, each lunch program in your grammar schools and our elementary schools.

It will be felt in communities across this country. Why? Because that is what our Nation's budget is about. It is about our democracy. It is about what we value. It is about where we place our priorities. I hope that it is a budget that reflects the best of us and not some bumper sticker. I hope it is a budget that funds what is going to collectively take us into the future. I hope it is a budget that does not short-change what children eat in their lunch programs, whether they have a classroom that is the right size, whether their teacher is trained and educated the right way, whether those that have served in other wars are honored with the benefits that they receive. I hope it is not a slap in the face to America. That is not what this should be about.

I am proud that the Democratic alternative will take us back to a balanced budget by 2010. I do not think our friends on the other side of the aisle can boast that. It covers the priorities that we believe not only have made our Nation great in the past, what has been given to us, but what we can do for the future of our country.

□ 1815

I thank my colleagues, especially the New Democrats, for taking time this

evening to demonstrate the differences, because there is a difference, Mr. Speaker, and, Mr. and Mrs. America, between the two major parties. It is our responsibility to bring our ideas forward and have them be part of the debate in this country about which way is the best way to go. I thank my colleagues, and I especially thank the gentlewoman from Oregon who has brought such leadership to this.

Ms. HOOLEY of Oregon. I yield to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Speaker, I want to stand by the words of my colleague from California. There are many of us here, especially among the New Democrats, that did vote for the tax cuts going back almost 18 months ago. I come from New York. In New York, we love tax cuts, mainly because we pay so many taxes on the island. But I have some real problems with the budget that we are looking at.

We are supposed to debate this tomorrow, and I hope that we do, but I understand that many of my colleagues on the Republican side are having a real problem with the budget that they saw, and I hope they stand together, because we as a Nation are going through some very, very tough times. America, as I said, is going through some very trying times. The economy is struggling, unemployment unfortunately is up, consumer confidence is down, and our Armed Forces are gearing up to go to war.

Tomorrow possibly, if they can come to an agreement, this body will debate an overall budget for this country that hopefully will address all of these concerns. And I hope it is a good debate. I hope they allow us at least to even put our budget forward. That is what this great place is about, the debates. Then we have the vote. We either win or we lose. But unfortunately around here lately, we are not even allowed to put a substitute up. I am always hopeful.

The two proposals that I have seen, one from the administration and the other from the House Budget Committee, do not come close to addressing our concerns. I am going to have a very hard time going home and telling my constituents that I might be cutting after-school programs, student loans, teacher quality programs, COPS funding.

COPS funding. That should be part of our homeland security. I know in New York City, they are spending an extra \$5 million a week. COPS programs, that is helping my community work with my schoolchildren to make sure that the areas are safe, and to get the kids to know them so that they have someone to go to when they need it.

A highway fund. We all know that when we put money into the highways, those are jobs, not only making our infrastructure better, but also it helps the mom-and-pop stores because our construction workers have to eat. Our construction workers, by the way, pay our school bills.

But I have to say, when you try to make room for a back-loaded tax cut plan proposed by the administration that provides a very, very minimal stimulus, I think we have a problem. I cannot go home and tell my constituents that I slashed funding for our veterans. We are on the brink of going to war. We have young men and women overseas getting ready to protect this country, and we are showing our older veterans the compassion by cutting their funding for health care. There is something very, very wrong with that.

I spent my life as a nurse before I came here. I know firsthand that our hospitals across this Nation are struggling to keep their doors open. Yet in the Republican budget we see more slashes for Medicare and Medicaid. There is something very, very wrong with that.

I am one of these people that do not believe in kicking someone when they are down. If this budget passes tomorrow or Friday, we are going to be hurting an awful lot of people.

Again, are we going to have a decent prescription drug plan? Out on Long Island, I have my seniors that cannot even afford to be able to buy their medications. That is wrong. No one should have to go without their medications. I look at things holistically. If you are not giving medications to the patient, they are going to end up in the hospital, and it is going to end up costing more money. Yet in the wisdom of my colleagues on the other side of the floor, they want to cut Medicare reimbursements, they want to make our hospitals have to even cut back more, which means, by the way, they are not going to be able to hire nurses to take care of the patients.

We have to look at things, in my opinion, on how we would run our house. We all have to make sacrifices. We all have mortgages. We all have bills to be paid. We sit down and we look to see what has to be done. But this budget, the Republican budget that is coming out tomorrow, is totally unacceptable.

I think the shame of it is that we are making these cuts so we can make room for a \$1.4 trillion tax cut. I do not know. I think the American people, if anybody is watching, would kind of sit around and say, wait a minute. My mother, maybe my grandmother, maybe she needs to go to a nursing home. She needs her prescription drugs. Those are going to be slashed? I do not know. That is not the way you cut a budget.

Then we have the war. We all know most likely that we will be going soon, but there is not one penny in either proposal of the budgets that I have seen for the war or even the cost of rebuilding the economy. Some argue we can address these costs in a supplemental. I understand supplementals. However, these supplementals are becoming like second budgets. If we have any kind of an idea of what something is going to cost, we should budget for it, and we should budget for it now.

I know we are going to go into some debt because of the war, and that to me is good debt. It is good debt mainly because we are protecting this Nation, and we are going to be protecting other nations so that they can have democracy and freedom and freedom from terrorism. We have to look to see what our priorities are.

This body, and I happen to think the Democratic budget substitute is the one that we should be looking at, it puts us back in balance, and that is what we all want. It provides a stimulus package that actually will stimulate the economy. We should have been doing this in January. We should have been stimulating the economy so that we would not have unemployment going up and up and up.

Homeland security. I talk to my schools, I talk to my firemen, I talk to our police officers, I talk to my county executive. They are trying to put plans together, but there is no money there. Most of our States, as I have mentioned before, are already in debt, so they cannot even spend the money. My county is in debt, and we have worked very hard to try and get out of debt, but unfortunately sales are down, so tax revenues coming in are not there.

The Democratic plan also offers a sensible prescription drug proposal.

The other thing is we are going to make sure that the funds are there for our military. This can be achieved by providing a stimulus that is reasonable and targeted to the people who need it the most.

The American people are looking to Congress to pass sensible policies that not only encourage investment, but also increase goods and services. Again, we have to be able to do a number of things here. We have to make sure that we are there to protect our armed services, but we also have to make sure that the country is economically sound. The Democratic proposal can do that. The Republican budget will not.

Unfortunately, the choices before this body suggest policies that do more harm than good. For example, half of the costs associated with President Bush's tax cut involve an elimination of the tax on dividends. To be honest with you, I do not have a problem with that. In better times, I probably would vote for it. I happen to think that in the long term it might be good for this country. It is not good right now. It is not the best bang that we can get for our dollar. I am hoping that we might be able to take this out and address it next year when things are better. This particular provision should be included in a long-term tax reform bill, as I had said. We should debate this at a later time when we can afford it.

A true stimulus plan provides immediate capital to assist an ailing economy. I believe that eliminating the tax on dividends does not provide us with the bang for the buck as we need it, as I said before. And though I understand the need to make sacrifices, and I know the American people understand what

sacrifices are, if we want to jump-start the economy, it should not be done by passing bad policy. I want to support a budget that actually stimulates while taking into consideration long-term budget implications. There is no room for political gamesmanship when people lose their retirement savings or their jobs.

Again, I am just going to say, what I saw on the Republican budget, large cuts to education. It cuts my veterans' benefits and health care. My hospital on Long Island for my veterans can barely keep its doors open now. It fails to protect the environment. It fails to make the adequate investment in health care.

I know that we have tough decisions to make, but again, the Democratic plan covers all these issues, makes them fair, and certainly brings hopefully a little bit of sunshine down the road when we can go back into a balanced budget.

I hope the American people get involved in this debate. I hope that they call their Representatives, because the pain that we are going to be feeling not just from the war, but from the cuts on educating our children, taking care of those in the hospital, taking care of those at home, taking care of our seniors, that is not where we should be making cuts.

Ms. HOOLEY of Oregon. I thank the gentlewoman for her thoughts today and for advocating a fiscally responsible budget.

I yield to the gentleman from Washington (Mr. SMITH).

Mr. SMITH of Washington. Mr. Speaker, first I want to thank the gentlewoman from Oregon for organizing this hour to talk about a very important subject, the budget. Of the many things that are disturbing about the budget that the President has proposed and the Republicans have proposed here in the House of Representatives, I think perhaps the most disturbing, is the chatter that is coming out of the Republican side of the aisle that deficits do not matter. It used to be that a balanced budget amendment seemed to be required, and now we have sort of decided because it is inconvenient to have to balance the budget that deficits no longer matter.

They have come up with all kinds of fascinating arguments as to why that is. I think the biggest one they focus on is to say that deficits do not really affect interest rates, because that is typically one of the arguments against running deficits is that if the government is gobbling up all the money out there, it is going to drive up interest rates and hurt the overall economy. They point to various points in our history and say that, well, in the 1970s we did not have much in the way of deficits, and we had very high interest rates. In the 1980s we had high deficits and lower interest rates. That is debatable. It seems to me just as an economic matter, if you run deficits over a long period of time, eventually that

is going to have a negative effect on interest rates. But even ignoring that point, it is simply true that you cannot run a deficit forever.

The biggest reason that deficits are, in fact, a problem is that they suck up all the money for the future and get us to the point as a country where all we can do is pay the monthly payment, just like someone with a credit card debt that is out of control, where they are simply trying to pay the monthly payment, and the interest keeps racking up. The amount of money that we will spend on interest will accelerate. The amount of deficits we run up on a year-by-year basis will accelerate under the President's budget. Ten, twenty, thirty years from now, we are going to have no money for any priorities, be they Republican, Democrat or whoever.

So if we can at least eliminate one notion, during the debate tomorrow I would hope that someone on the Republican side of the aisle would stand up and say that deficits matter. They are something we should be concerned about, and just because they are inconvenient, we should not turn logic on its head and suddenly say we do not care about them anymore.

The other thing that is truly disturbing about this budget is never in the history of this country have we cut taxes while at the same time going to war. The unreality of that puts us in huge fiscal jeopardy and puts us in a position where we will not be able to meet our obligations in that war. Keep in mind, we are really about to enter our second war. Al Qaeda declared war on us years before September 11. That war was crystal clear after September 11. So dealing with that challenge was number one. Now we are about to launch a second war in Iraq and we, the Republicans, are telling the American people that we can still cut taxes by hundreds of billions, trillions of dollars.

That is hopelessly unrealistic. We have already seen the impact of it, the lack of funding for homeland security, and we are very concerned about it, the lack of funding for the war in Iraq for that matter. It has not been put on the table as part of this budget, and we know there is going to be a cost. That is very, very unrealistic.

The last thing that is troubling about this budget is it in no way stimulates the short-term economy. The tax cut that is being proposed, only 10 percent of that tax cut will come into being in the first year, right now, when the economy is in trouble. If it were truly stimulative, that is where the money would be. Ninety percent of this tax cut is at least 1 year away, which means it is going to have no impact whatsoever on our economic problems today. Presumably in 2, 3, 4 years, the business cycle will return, and we will have a strong economy, and what is the purpose of the tax cuts then? Certainly it is not stimulative.

That is the overarching problem with this budget. This budget reflects a philosophy that says fundamentally we need to cut the Federal Government dramatically. The tax cut that was passed 18 months ago, or almost 2 years ago now, was bad enough. It set us on a path when fully implemented to dramatically see that reduction. Now to pile on another trillion dollars will put us in a position where we will not be able to fund many priorities.

Again, the Republican majority is being very disingenuous about this. They come before you and they talk about the no child left behind bill, their commitment to education. They talk about a prescription drug benefit. They talk about the need to deal with health care. If you are going to cut taxes by trillions of dollars, you are not going to be able to address those issues. The no child left behind bill is already on pace to be underfunded by \$12 billion from what the President said he would do as a starting point. What this shows us is we cannot meet those priorities. The rhetoric talking about them is simply empty.

So one final thing I would ask of the majority in the debate tomorrow is to make that clear to the American people, that this is the choice. Do you want simply to have the largest tax cuts possible, primarily for what they like to refer to as the investor class, which primarily means not most of the people in America? Do you want to have that, or do you want to fund these priorities? Because when the Republicans get up here and talk about a prescription drug benefit and talk about education, understand they have no plan whatsoever to fund it. To the extent it is in there, it is only in there rhetorically. We simply cannot have the tax cuts that they are talking about and fund the priorities that they are talking about.

Let us have an honest choice. Let us honestly assess what our choices are, be fiscally responsible, fund our priorities as they lay out there and not pretend that we can have it all; not pretend that in essence we can spend the same dollar three or four times.

Again, I want to thank the gentlewoman from Oregon for bringing this debate out. Tomorrow I think we will have the opportunity to talk about it further. I would urge us to reject the Republican budget plan.

Ms. HOOLEY of Oregon. I yield to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise this evening to talk about the budget resolution we will be asked to consider tomorrow, a budget that I believe is one of misplaced priorities. Just a few hours ago, the gentlewoman from Oregon and I went before the Committee on Rules to urge support for what I believe must be one of our foremost priorities. The gentlewoman from Oregon and I asked that an amendment be declared in order that would provide \$2.2 billion in funding to

first responders not next year, but immediately, in fiscal year 2003.

I believe that we can and must agree to put aside our differences and fund first responders. It is my sincere hope that we will be able to consider this important amendment on the floor tomorrow. We say first responders are a priority, but as happens all too often in Washington, it is one thing to call an initiative a priority, and it is an entirely different matter to devote the funding required to validate that priority. In this particular case, there is no question that the need is real, immediate and essential.

I represent the First District of New York, the western boundary of which is no more than 40 miles from the border of New York City, clearly one of the most prominent targets for terrorists, and I have spoken with our firefighters throughout our district, our police officers throughout our district, and they recognize that they are ill-equipped to respond. They need training, they need equipment, and the Federal Government must provide the support that they require.

I also come to the floor today to discuss our priorities as a Nation and to talk about how I believe the Republican budget that we will consider tomorrow is a budget of misplaced priorities. As we consider this budget, we have an opportunity to make the right choices for our Nation, choices that will strengthen our families, secure our communities and send us back down the road to economic security. Instead, my colleagues on the other side of the aisle are forcing a vote on a budget that is the antithesis of fiscal responsibility and sends our Nation back to deficits. These deficits stretch out as far as the eye can see, and they squander desperately needed programs for working families.

If the goal of the Republican budget is to provide a shot of adrenalin to our economy, in my opinion this plan falls far short of that goal. The Republican budget puts forth a costly economic growth package with less than 3 percent of the proposed tax cuts occurring this year when it is most needed. On the other hand, the Democratic proposal would provide four times the amount of stimulus provided by the House Republican proposal with \$136 billion in targeted tax breaks applicable immediately. These tax breaks will encourage investments by business and help those who are in the greatest need of relief.

Both the Democratic and the Republican budgets would balance by the year 2010. The difference is that the Republican budget would do so by forcing what I believe are unconscionable cuts to key mandatory and discretionary funding programs. The Republican budget would cut important programs such as student loans, veterans' benefits, and school lunch programs by as much as \$98 billion over 10 years. Today when so many families are sacrificing and struggling, it is not the time

to crack down on veterans, students trying to earn a college diploma and schoolchildren from low-income families who deserve to eat a nutritious meal.

Why do we not try this? If we are going to crack down on anyone, why do we not crack down on corporations that relocate offshore exclusively for the purposes of evading their United States tax obligations?

Further, the Republican budget would undermine domestic appropriations by \$244 billion below the amount needed to continue programs at today's level. Passing this budget will hurt working families, children, the elderly, veterans, seniors, and so many others. These types of cuts are difficult to justify under any circumstance. They are impossible to justify when one considers that they result from an irresponsibly large, massive package of tax cuts geared to the very wealthy. Why should we give an additional tax cut to the top 2 to 5 percent of wage earners in this country when doing so requires us to seriously undermine so many important programs, and doing so also imperils the long-term security of Social Security and Medicare?

□ 1830

We need to do the right thing tomorrow and pass a real stimulus package, one that stabilizes our communities by delivering results for small businesses and working families now rather than later. Now is not the time to be forcing damaging budget cuts that undermine the social fabric of our communities just so that we can provide additional tax breaks to those who make the most. Now is the time to act with fiscal responsibility in mind to jump start the economy and to provide lasting investments in our families.

I believe that we know what our priorities should be, and I urge my colleagues to vote for the Democratic budget substitute tomorrow.

Ms. HOOLEY of Oregon. Mr. Speaker, I thank my colleague from New York.

I yield to the gentleman from Florida (Mr. DAVIS) who has been working on budgets since we both got here.

Mr. DAVIS of Florida. Mr. Speaker, I thank the gentlewoman from Oregon (Ms. HOOLEY) for yielding.

Tonight the Congress starts its debate as to the budget resolution, which represents a statement by the Nation as to our priorities as a country. On the eve of war, this is a more solemn event than ever, and I think it is fair to say that the United States citizens expected their Congress more so than ever to come together, Democrats and Republicans, the House and Senate, the Congress and the President, on a realistic plan, not politics, not gestures, not symbolism, something that truly represents a plan to keep our country secure and strong and to plan for the future, as we are expected to do as leaders.

What I would like to do tonight is to highlight in what I hope is the most accurate fashion possible the Republican

budget resolution and the Democratic budget resolution and along the way to express my opinions in terms of how I think we bring this all together. First of all, I think it is fair to say that the Republican budget resolution has as its centerpiece a tax cut over 10 years in the amount of about \$1.3 trillion. This is truly a very significant tax cut. I think it is also fair to say that virtually every Member of Congress serving here today has promised the people that we represent that we intend to enact Medicare coverage of prescription drugs in order to deal with a growing crisis in our country as far as seniors and disabled and other people lacking access to critical prescription drugs. And so both budget resolutions must be measured against that standard.

The Republican budget resolution, it is fair to say, sets aside \$28 billion, \$28 billion to cover the cost of Medicare coverage for prescription drugs. I might add a very minimal fraction of what the President proposed as that cost. In addition, it is fair to say that the current version of the Republican budget resolution calls for significant cuts in spending, some of which have already been referred to here tonight. These cuts are going to be very difficult to defend to the people at home. They are significant cuts in veterans benefits. They are cuts in student loans. They are cuts in the Medicaid program that States that are struggling to meet their budgets right now are relying upon to furnish a safety net there. They are cuts in funding for the environment. These are significant cuts. Particularly like a State like mine, Florida, these cuts will have real impact on people at home.

Finally, the Republican budget resolution calls for a deficit of \$319 billion in the next year, a staggering deficit, one that will bring with it a significant interest cost that every man, woman, and child will be paying in this country as the Federal Government goes deeper into debt. It is also important to point out on the eve of war that the Republican budget resolution provides not a single penny for what we all know will be a very expensive war in Iraq, not to mention perhaps an even more expensive cost of dealing with Iraq after Saddam Hussein has been disarmed, after Saddam Hussein is gone.

I think the weaknesses, the limitations in the Republican budget resolution are terribly self-evident. At a time where I expect the President will surely call upon the Nation to sacrifice, to participate in the commitment our men and women abroad are making and their families are making without them here at home, it is not the priority of our country to call for a \$1.3 trillion tax cut. Taking that tax cut is not the type of commitment, not the kind of sacrifice people have in mind in supporting our troops and supporting our President and supporting our Nation. Cutting veterans programs, depriving students who have worked so

hard to get through high school the opportunity to go to college, losing students loans, these are not the things that made our country great. This is not what we stand for. This is not what we are fighting about. These are not our priorities.

Let me talk about the Democratic budget resolution and start by saying in fairness to the Republicans, we clearly are in a challenging situation here in terms of how to juggle our competing priorities. The Democratic budget resolution, which I strongly support, represents an attempt to build on the more constructive features of the Republican budget resolution and the more constructive features of the President's budget and then attempts to improve upon them and not to simply criticize them.

So let me highlight some of those points. The first is that the Democratic budget resolution calls for a tax cut of approximately \$136 billion compared to \$1.3 trillion in the Republican tax cut.

□ 1845

The centerpiece of the Republican tax cut is the elimination of a tax on dividends for some corporations through a very complicated process that will not take effect for some time. That has been presented as a stimulus. I think it is fair to say that is at best a fundamental change in tax policy, and because it has no effect any time soon, it is not really going to stimulate the economy at a time when we need the economy to be stimulated.

In contrast to that, the proposed Democratic budget alternative calls for immediately putting into effect a more accelerated type of depreciation for businesses, an attempt by the Federal Government to say to small businesses, medium-sized businesses across the country, we want to encourage you to invest in your company, buy the equipment you need, make the purchases you need to keep your business going, and you are going to pay less taxes on that as part of our attempt to help stimulate the economy.

The Democratic budget alternative also makes permanent the child care tax credit and the marriage penalty elimination, which benefits a huge number of Americans and will put money in their pockets, which will help stimulate spending and the economy.

On the spending side, the Democratic budget alternative does not make the cuts in veterans' benefits, in student loans, in environmental programs. It keeps those programs continuing. It funds them to take into account growth and inflation. I cannot think of a worse statement of our priorities than to be cutting veteran benefits in the days ahead. The Democratic budget alternative does not do that.

With respect to prescription drug coverage under Medicare, the Republican budget alternative calls for \$28 billion. The Democratic budget alternative calls for \$28 billion. This is a realistic sum. This is a number that

Democrats and Republicans ought to be able to work with. It is not dramatically different than where the President started. It is a higher number. This is an attempt to find common ground to finally do what the politicians have promised people at home for far too long, to begin to cover prescription drugs.

Now, I have to say, this is not the ideal plan. If you are serious about attacking deficits, if you are serious about funding security at home and abroad, this is not the most elaborate, the most generous Medicare prescription drug plan Democrats might offer or this Congress might pass. But it is an attempt to juggle competing priorities. It is an attempt to start a modest Medicare prescription drug plan that, over time, as our country regains peace and prosperity, we can truly fund at the level our seniors deserve.

Another important difference between the Democratic and Republican budget alternatives is homeland security. The Democratic alternative provides 34 billion additional dollars above and beyond the Republican budget alternative for homeland security; \$10 billion of that is to the States. In the last couple of days, the Secretary of Homeland Security, Tom Ridge, has ordered Governors throughout the country to go on a heightened state of alert. Security is not free. This will cost money.

Virtually every State in this country, including Florida, is struggling because of the economy, because of deficits in their own budgets. The Federal Government needs to step in as a partner and help provide security. The Federal Government, in my judgment, has been derelict in its duty in not stepping up to the plate and doing this sooner.

This Congress recently missed another opportunity to provide funding for first responders, for equipment and training for police and fire. We cannot make the same mistake again on the eve of war. The Democratic budget alternative provides \$34 billion additional above and beyond the Republican budget alternative. This is something Democrats and Republicans should agree on. This is something that every citizen in this country expects.

Finally, let me make two other points. One is that the Democratic budget alternative proposes to bring the country back into a balanced Federal budget by 2010. Deficits do matter. They affect interest rates in the long term. They have a lot to do with the ability of our country to plan for the future, the retirement of the baby-boomers, to keep Social Security and Medicare solvent.

Now, if the Democratic budget alternative sounds too good to be true, it is because there are some difficult choices there. Let me close by mentioning a couple of the difficult choices.

The Democratic budget alternative revisits President Bush's last tax cut,

which was based on an assumption the economy was going to be growing at a dramatically positive rate, and that we would be enjoying peace and prosperity for years to come.

Well, we know, painfully so, that is not the case. What the Democratic budget alternative does is to freeze the Bush tax cut, President Bush's tax cut, with respect to the highest income earners, in order to generate revenue to pay for homeland security, to pay for the cost of the war in Iraq, to pay for what this country is going to have to do after we successfully disarm Saddam Hussein. These are the priorities of the country. This is what is expected of us.

The other way that the Democratic budget alternative funds security, funds a meaningful prescription drug benefit and achieves a balanced budget by 2010 is to eliminate the repeal of the estate tax. It would say instead what Democrats and Republicans should have agreed upon a long time ago, as proposed by the gentleman from North Dakota (Mr. POMEROY): We will establish immediately a \$6 million credit from the estate tax for couples, \$3 million per individual, that will result in 98 to 99 percent of American citizens avoiding the estate tax.

The effect of that is, again, to generate the revenue that allows us to keep this country secure and strong and back to a balanced budget so that we can achieve what we have been challenged to face tonight, to support our men and women abroad, to keep our promise to our veterans, and this next generation of veterans serving our country so bravely, and serve our people and get our economy back to the strength it deserves so we can be strong not just abroad, but at home as well.

Mr. Speaker, I thank the gentlewoman for yielding me time.

Ms. HOOLEY. Mr. Speaker, I yield to the gentlewoman from California (Mrs. DAVIS).

(Mrs. DAVIS of California asked and was given permission to revise and extend her remarks.)

Mrs. DAVIS of California. Mr. Speaker, I am here today because I am deeply concerned about the devastating impact the President's budget could have on working families across this country, particularly at a time when our Nation stands at the very brink of war.

The cuts that are proposed in this budget stand to hurt the very families whose loved ones are overseas preparing to fight this war. Last weekend I had an opportunity to meet with a number of military families whose husbands, whose brothers, sisters and wives are courageously serving our Nation in Afghanistan and the Middle East. They shared with me their thoughts and fears while their loved ones were deployed so many miles away from home.

In addition to expressing the uncertainties that they face, they are also concerned about their children's fu-

ture. That is why education is a major concern to them. They know that the quality of their children's education is dependent upon some significant Federal support.

Mr. Speaker, the President's budget proposal seeks to cut education funding by more than \$10 billion in the next year alone. In my home State of California, where the State budget deficit is expected to exceed \$25 billion in 2004, as many as 30,000 teachers, counselors, nurses and administrators are already receiving notices to leave their posts in our children's schools. School districts are slashing a number of positions, and the President's budget provides no direct Federal aid to States to help with this great concern that we have.

At a time when we are sending more servicemen and women to Iraq each day, the very least we can do for them is to ensure that their children are receiving the very best services we can offer, but this budget is failing to meet this promise. While these same families are expressing their concerns as their loved ones are being sent abroad indefinitely to potentially face the perils of war, the very least of their concerns are costly tax cuts.

Mr. Speaker, we have larger priorities at hand. While we are still attempting to assess the costs of the war, our focus should remain on providing for our Nation's military, their families and our national security. It is simply irresponsible to neglect these priorities in favor of sweeping tax cuts, tax cuts that largely fail to benefit the brave men and women we are sending overseas at this very moment.

We understand that at a time of war we may, in fact, face large deficits, but we should not make them greater by supporting a tax package that has at its very heart helping those that at this time need it the least. This is simply the wrong message to be sending not only to working families, but to military families carrying out their commitment to America.

Ms. HOOLEY of Oregon. Mr. Speaker, reclaiming my time, again, the Democratic budget is a fiscally responsible budget that does not cut funds for veterans, that stimulates the economy, that makes sure that our children can go to college, have after-school programs, and the Republican budget does not do that.

GOING FROM BAD TO WORSE ON THE BUDGET RESOLUTION

The SPEAKER pro tempore (Mr. BONNER). Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

Mr. HOLT. Mr. Speaker, I would like to talk further about the budget. Much has been said, and I will not go over it, that this budget, as we now have our thoughts and prayers with our troops overseas, does not even include any mention of the war, of the cost of the war. It does not include funding for first responders adequately. It does not

adequately fund education and special education. It would force cuts to VA benefits.

But let me just address two matters that I think really should be underscored that are failings in this budget. One has to do with Medicare.

I have heard Members on both sides of the aisle speak passionately about the need for prescription medicine coverage, yet the majority's budget resolution contains only \$28 billion in new spending, when the lowest estimates for this kind of funding are about \$400 billion. In other words, if this is going to happen, it would pull money not out of thin air, but it would pull money out of Medicare, other Medicare programs and out of Medicaid spending. That will not work.

In the area of research and development, our investment in science, research and development is a necessary investment to provide the growth in productivity that is required, that is really postulated for this budget resolution. That growth will not come unless we invest in research and development.

NIH funding, which was previously on a doubling path, the majority seems to think little of the achievements of the NIH researchers in hemophilia, muscular dystrophy, Alzheimer's and all of these other areas. Their budget reduces appropriated health programs by almost 5 percent in 2004.

With the looming war in Iraq, with the continued instability in the Middle East, with the threat of global climate change, you would think we would be increasing our funding for research in carbon reduction in fuels, but the funding for the Department of Energy's Office of Science remains flat. So, these are major shortcomings in the budget.

I see my friend from New York on his feet, and I would be pleased to yield to the gentleman.

(Mr. ISRAEL asked and was given permission to revise and extend his remarks.)

Mr. ISRAEL. Mr. Speaker, I thank the gentleman for yielding, and let me thank the gentleman from the other side for accommodating us.

Mr. Speaker, I supported tax cuts in 2001. That was before 9/11. That was before our war on terrorism. That was before a potential war in Iraq. That was before we had new homeland needs. But today the world is different. We have new challenges. We have to make sure that our budgets keep pace with those challenges and are responsible in adapting to those challenges.

We cannot send young people into an unfunded battle in Iraq tonight and slash their veterans benefits when they come home tomorrow by \$15 billion. We cannot offer the deepest tax cuts to the very richest and balance budgets on the backs of those who are fighting on our fronts.

I represent some constituents who would benefit greatly by a tax cut at the top brackets. I cannot think of a single one who would come up to me at